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U.S. Department of Energy
Oak Ridge Operations Office
and
Bechtel Jacobs Company LLC

Authorization Agreement

for

Paducah Gaseous Diffusion Plant
UF6 Cylinder Storage Yards
C-745-C, D, F, G, K, L, M, N, P, S and T

July, 2000

D-11100-0213



Authorization Agreement
for
Paducah Gaseous Diffusion Plant
UF6 Cylinder Storage Yards
C-745-C, D, F, G, K, L, M, N, P, S and T

Section 1 Scope of Operations

This Authorization Agreement (AA) applies to the C-745-C, D, F, G, K, L, M, N, P, S and T UF6 Cylinder Storage Yards at the Paducah Gaseous Diffusion Plant (PGDP). The cylinder yards are categorized as Nuclear Category 2 per DOE-STD-1027-92. The facilities, major functions, and support facilities are described in the PGDP Safety Analysis Report (SAR), as amended.

The scope of activities authorized in conjunction with the operation of Paducah UF6 Cylinder Storage Yards is defined by (a) the Work Authorization and Change Control process specified in Bechtel Jacobs Company LLC (BJC) Contract Number DE-AC05-98OR22700 and (b) the Authorization Basis (AB) documents listed in Section 3 of this AA. All scope defining documents (except BJC Contract Number DE-AC05-98OR22700) and references are subject to the provisions of Sections 4) Terms and Conditions, 6) Special Conditions, and 9) Exceptions, as specified in this Agreement.

The PGDP UF6 Cylinder Storage Yards are authorized for the following activities: temporary and long term cylinder storage, engineering development tasks, cylinder movement and stacking within and to and from non-leased yards, cylinder recoating, cylinder maintenance, yard and equipment maintenance, surveillance, off-site shipment and receipt of cylinders, and cylinder yard construction and renovation.

Section 2 DOE Basis for Approval

The Department of Energy (DOE) has determined:

- A. Through a series of comprehensive reviews, the cylinder yards will be operated in compliance with the PGDP Safety Analysis Report (SAR) as amended, other AB documents as amended, Environmental Management and Enrichment Facilities Work Smart Standards (WSS), BJC/OR-64, as amended, and this Authorization Agreement as specified by Contract Number DE-AC05-98OR22700. The SAR, other AB documents, and the WSS have separate review and approval processes and may be amended without need to revise and re-approve this AA unless the cylinder yards' authorized work scope is significantly modified.
- B. Through review and approval of the BJC Integrated Safety Management System Description, BJC/OR-87, as amended, BJC has committed to conduct and manage work safely. BJC M&I Contract Number DE-AC05-98OR22700 requires implementation of all principles and functions of integrated safety management involving workers at all levels, including; defining the scope of work at the UF6 Cylinder Storage Yards, analysis of hazards and derivation of prevention and mitigation controls, initiation of work per approved plans only after determination that work may be safely performed, and feedback for continuous improvement. Also the safety management program which affords an acceptable level of safety to the public, the workers, and the environment has been defined and documented by the set of AB documents, as amended. This AA serves to document DOE approval of the set of AB documents tailored for the subject cylinder yards and that this set of documents adequately represents the cylinder yards' authorization basis.
- C. Through completion and review of appropriate National Environmental Policy Act (NEPA) documentation [DOE/EA/1118] and in accordance with the applicable federal NEPA regulations, operation of the C745-K, L, M, N, P, and T DUF6 cylinder storage yards does not significantly affect the quality of the human environment. DOE determined that operation of the C745-G and S DUF6 cylinder storage yards does not significantly affect the quality of the human environment and categorically excluded the operation from further NEPA review. Continued operation of the C745-C, D, and F DUF6 cylinder storage yards predates NEPA, and consequently does not have specific NEPA review documentation. Additional descriptions of the environmental impacts of the Paducah Gaseous Diffusion Plant are contained in the PGDP SAR. NEPA documentation has a separate review and approval process and may be amended without need to revise and re-approve this AA unless the cylinder yards' authorized work scope is modified.

Section 3 Authorization Basis Documents

1. DOE/OR/02-1561/V2, Safety Evaluation Report for Paducah Gaseous Diffusion Plant, Volume II: Nonleased Facilities Only.
2. KY/EM-174, Paducah Gaseous Diffusion Plant Safety Analysis Report, latest approved revision.
3. KY/EM-175, Paducah Gaseous Diffusion Plant Technical Safety Requirements, DOE Nonleased Facilities, latest approved revision.
4. K/GDP/SAR-113, Paducah Gaseous Diffusion Plant, Department of Energy Nonleased Facilities, Plant Operational Analysis, Lockheed Martin Energy Systems, Inc., Oak Ridge, Tennessee, latest approved revision.
5. DOE/EA-1118, Environmental Assessment and FONSI Refurbishment and Construction of Uranium Hexafluoride Cylinder Storage Yards at the Paducah Gaseous Diffusion Plant, Paducah, Kentucky.
6. K/TSO-30, UF6 Cylinder Program Management Plan, Bechtel Jacobs Company LLC, Oak Ridge, Tennessee, latest approved revision.
7. K/TSO-001, UF6 Cylinder Project Systems Requirements Document, Bechtel Jacobs Company LLC, Oak Ridge, Tennessee, latest approved revision.
8. K/TSO-017, UF6 Cylinder Project Systems Engineering Management Plan, Bechtel Jacobs Company LLC, Oak Ridge, Tennessee, latest approved revision.
9. K/TSO-28, UF6 Cylinder Project Engineering Development Plan, Bechtel Jacobs Company LLC, Oak Ridge, Tennessee, latest approved revision.

Section 4 Terms and Conditions

Operations of Paducah UF6 Cylinder Storage Yards are subject to the following requirements and conditions:

- A. In accordance with Contract Number DE-AC05-98OR22700, the Work Smart Standards identify the rules, regulations, orders, standards, and directives of DOE and other federal, state, or local agencies that are to be applied under the Contract to the activities associated with the UF6 Cylinder Storage Yards. Authorized deviations shall be documented by Bechtel Jacobs Company LLC (BJC) and approved by DOE through Exemption Requests, Compliance Schedule Agreements, Implementation Plans, or modification of the Work Smart Standards, as appropriate. New or revised requirements shall be incorporated into the Work Smart Standards as agreed by DOE and BJC using the WSS change process. BJC shall ensure compliance commitments are tracked and completed within established time frames.
- B. BJC shall assure the UF6 Cylinder Storage Yards are operated in accordance with operational controls specified in the AB as defined in the controlling set of AB documents listed in Section 3 and subject to the provisions of Sections 6 and 9 of this AA. BJC Safety Management Programs shall be implemented in place of the previously approved AB-referenced Safety Management Programs (e.g., LMES).
- C. BJC shall comply with applicable requirements specified in the following Standards/Requirements Identification Documents (S/RID): (1) Emergency Management S/RID Functional Area (Section 5) and (2) Occurrence Reporting element of S/RID Functional Area (Subsection 1.6).
- D. BJC shall comply with applicable requirements specified in the following environmental permits, as amended: (1) State of Kentucky National Pollution Discharge Elimination (Permit No. KY0004049), (2) Kentucky Department of Air Quality Air Permit for Cylinder Painting (Permit No. S-98-044), (3) Resource Conservation and Recovery Act (RCRA)/ Hazardous and Solid Waste Amendment (HSWA) (Permit No. KY 8890008982), and (4) Kentucky Department of Environmental Protection, Refurbish Depleted UF6 Cylinders (Permit No. S5-96-175).
- E. BJC shall maintain the AB (or other defined safety controls) consistent with the cylinder yards' configuration (hardware, procedures, organizational) via an Unreviewed Safety Question Determination process compliant with DOE Order 5480.21. Changes in the authorization basis documents do not require revisions to the Authorization Agreement unless the cylinder yards' authorized work scope is significantly modified.
- F. BJC shall implement and maintain in effect a facility Emergency Preparedness and Planning Program, for the PGDP UF6 Cylinder Storage Yards, as described in (1), KY/EM-174 and (2) PGDP 1995, Paducah Gaseous Diffusion Plant Emergency Plan, Paducah Gaseous Diffusion Plant, Paducah, Kentucky, latest approved revision.
- G. BJC shall implement and maintain in effect a facility Fire Protection Program, for the PGDP UF6 Cylinder Storage Yards, as described in KY/EM-174.

- H. BJC shall comply with applicable site wide requirements approved or endorsed by DOE as specified in the following leased facility documents.
1. DOE/USEC 1996, USEC and DOE Resolution of Shared Site Issues at the Gaseous Diffusion Plants, concurred by Joe W. Parks, Assistant Manager for Enrichment Facilities, Department of Energy and George P. Rifakes, Executive Vice President of United States Enrichment Corporation, January, latest approved revision.
 2. DOE/USEC 1993, Lease Agreement between the United States Department of Energy and the United States Enrichment Corporation, latest approved revision.
- I. BJC shall implement the Implementation Plan for Defense Nuclear Safety Board Recommendation 95-1.

Section 5 Contractor and Sub Contractor Qualifications

Through DOE's adherence to Federal Acquisition Regulations (FARs), Department of Energy Acquisition Regulations (DEARs) regarding selection of competent contractors, as well as BJC commitment to WSS requirements for personnel selection, training and qualification, DOE is assured that BJC is technically qualified to engage in the activities authorized by this AA. Additionally, through DOE evaluation of the BJC procurement process, and of qualified bidders for BJC-subcontracted work through program oriented reviews, presentations and assessments DOE has concluded that BJC has demonstrated ability to safely perform and/or manage performance of the scope of work specified in this AA.

Section 6 Special Conditions

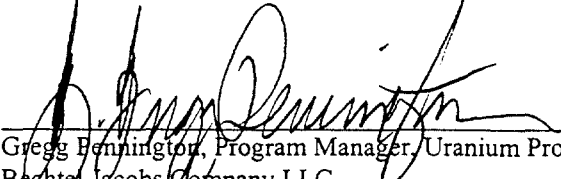
- A. Bechtel Jacobs Company LLC shall comply with the provisions of the agreement except for reasonable action taken in an emergency, when such action is needed to protect the environment, and/or the safety and health of the public and/or worker, and it is not immediately apparent to BJC that action consistent with this agreement would provide adequate protection.
- B. In the event that a condition(s) is discovered that is determined to be outside of the scope of hazards analyzed in the AB, and which if uncorrected would lead to unsafe conditions, the following general requirements apply (Emergency Response and 6. A. above notwithstanding):
- Work shall be suspended, except for such actions that may be promptly and safely completed to minimize or eliminate the unsafe condition(s).
 - The condition shall be immediately reported to BJC management for determination of further responsive action, cause, corrective action and reporting responsibilities.
 - Work shall not proceed in the affected area until BJC determines that work may be safely performed and that the condition(s) is within the analytical bounds of the AB.

Section 7 Effective and Expiration Dates

The conditions and limitations within this Authorization Agreement are effective upon the latest date of signature by all parties and shall expire upon expiration or termination of Contract Number DE-AC05-98OR22700. This AA shall be reviewed on a periodicity coinciding with that of the Paducah Gaseous Diffusion Plant Safety Analysis Report. Results of the review of the AA shall be reported to DOE and the AA revised as needed. However, failure to complete the review as scheduled does not render this agreement void.

Section 8 Contractual Citation and Approval Signatures:

DOE and BJC agree to all of the provisions of this Authorization Agreement subject to the conditions specified in Contract Number DE-AC05-98OR22700, between BJC and DOE.

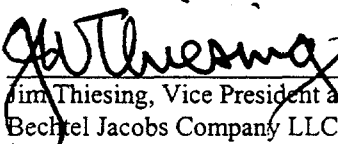


Gregg Pennington, Program Manager, Uranium Programs
Bechtel Jacobs Company LLC

8/2/00
Date


Gordon Dover, Manager of Paducah Project,
Bechtel Jacobs Company LLC

Date



Jim Thiesing, Vice President and General Manager,
Bechtel Jacobs Company LLC

8.11.00
Date



Leah Dever, Manager/designee, Oak Ridge Operations Office

9-27-00
Date

Section 9 Exceptions

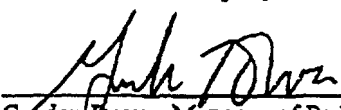
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Gregg Pennington, Program Manager, Uranium Programs
Bechtel Jacobs Company LLC

Date



Gordon Dover, Manager of Paducah Project,
Bechtel Jacobs Company LLC

8/4/00

Date

Jim Thiesing, Vice President and General Manager,
Bechtel Jacobs Company LLC

Date



Leah Dever, Manager/designee, Oak Ridge Operations Office

9/27/00

Date

Section 9 Exceptions


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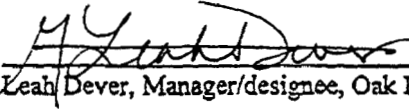
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